

stock and commodity exchanges. Furthermore, revenue growth in 2019 is expected to be supported by several large initial public offerings (IPOs) of private companies, such as Uber and Lyft, seeking to take advantage of elevated equity valuations. As more companies go public, industry operators will generate more revenue from IPO fees and annual listing fees. Industry operators have also benefited in 2020 from an increase in investor uncertainty caused by COVID-19 (coronavirus). This increase in uncertainty has led trading volumes to rapidly increase in 2020. Overall, industry revenue is expected to increase an annualized 8.4 percent over the five years to 2021 to \$20.6 billion, including growth of 8.0 percent in 2021 supported by rapidly increasing trading volumes. Additionally, improved scalability of operations is expected to enable industry profit to improve in 2020 and 2021 as well, as a result of increased trading volumes. Profit margin is estimated to be 45.5 percent in 2021.

Over the five years to 2026, industry revenue is forecast to increase at an annualized rate of 3.7 percent to \$24.7 billion. Trading volumes will likely wane during the period as investor uncertainty surrounding the coronavirus declines over the five years to 2026. However, industry operators will likely continue to benefit from sustained demand for data they provide to investors. This will help mitigate slower demand for industry operators' services as a result of lower trading volumes.

KEY EXTERNAL DRIVERS

Corporate profit

Corporate earnings fundamentally drive trade volume on stock exchanges. Investors buy and sell stocks based on quarterly and annual results, while also speculating on future growth. Growing corporate profit typically leads to higher trading volume across securities as investors seek returns and portfolio diversification. Corporate profit is

expected to increase in 2021, presenting a potential opportunity for the industry.

Investor uncertainty

Rising uncertainty concerning the future price movements of financial instruments and the general state of the economy. Rising uncertainty can materialize in one of two ways. One is that it leads investors to hesitate on making investments leading to lower revenue for industry operators. The other is that large swings in asset prices causes higher trading volumes. Investor uncertainty is expected to decrease in 2021.

Personal savings rate

The personal savings rate is highly correlated with the amount of consumer savings channeled into securities markets. A rise in the personal savings rate generally indicates that consumers are increasing their market investments, which benefits exchanges through higher trading volume and clearing fees. The personal savings rate is expected to decrease in 2021, posing as a potential threat to industry revenue.

Regulation for Investment Management industries

Financial sector regulatory changes, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act, tend to reduce the profit of stock and commodity exchanges. Regulation, particularly in recent years, has transformed the industry's competitive landscape, as well as the composition of market participants and the trading activities of these participants. Higher industry competition as a result of legislative change has put pressure on industry profit, particularly regarding clearing and transaction fees exchanges can charge. Regulation for the Investment Management industries is expected to increase in 2021.

Yield on 10-year Treasury Note

Changes in the yield on 10-year Treasury notes generally reflect changes in the cost of borrowing money and the return on lending money in the

domestic economy. Periods of rising interest rates indirectly dampen demand for riskier investments, such as stocks and commodities, from which exchanges draw revenue. The yield on the 10-year Treasury note is expected to increase in 2021.

Industry Outlook

As economic uncertainty surrounding COVID-19 (coronavirus) dissipate during the period, investor uncertainty is expected to decline. This is expected to result in declining trading volumes compared with 2020. However, should the Federal Reserve regain confidence in the stability of the economy as concerns surrounding coronavirus dissipate during the period, potential interest rate increases could cause lead to increased volatility in financial markets that operators would benefit from. Improving macroeconomic conditions over the five years to 2026 are also expected to lead corporate profit and research and development expenditures to increase an annualized 2.6 percent and 3.1 percent, respectively, over the five years to 2026. These trends are expected to lead to increased demand for industry operators' services for various data products they sell to businesses and investors during the period. Exchanges are expected to continue to focus on expanding their high-margin commodities and derivatives trading platforms, which will increase trading volume during the five-year period as investor preference for these asset classes grows. Overall, industry revenue is forecast to increase at an annualized rate of 3.7 percent to \$24.7 billion over the five years to 2026. However, regulatory changes are anticipated to temper growth in the industry's average profit margin. As a result, industry-relevant profit, measured as earnings before interest

and taxes, is expected to decrease to 45.1 percent of industry revenue over the five years to 2026.

Though growth in personal savings and shifting preferences should support trade volume over the five years to 2026, regulatory changes that will come into effect during the five-year period may force market participants to deleverage their investments and hold higher collateral for trades. This could potentially dampen trading volume growth and curtail industry revenue growth. Similarly, the Volcker Rule will continue to restrict proprietary trading for banks with federally insured deposits; this will reduce transaction and clearing fees for industry exchanges. Regulators are also likely to increase their scrutiny of over-the-counter (OTC) derivatives markets, which could temper profit for industry participants.

2021 Crypto Market: Year in Review⁷

MARKET UPDATE

The crypto market exploded in early 2021, with bitcoin reaching an all-time high of \$65k in mid-April up from its \$29K price at the beginning of the year. The growth was fueled by a number of converging factors.

Inflationary concerns highlight the need for good investing options to store value. The public's general familiarity with crypto and blockchain continues to expand and opening a trading account to engage in crypto investing has become much easier compared to previous years. According to a Gallup poll, 13 percent of U.S. investors between 18 and 49 own bitcoin, up from 3 percent in 2018. Players in the space continue to add infrastructure and horsepower to their teams to continue to

⁷ As published by the BDO Asset Management Practice

institutionalize their offerings. Coinbase held its IPO on April 14. Celebrities and respected business minds like Elon Musk continued to tweet about the upside of crypto, and the list of large institutions investing into tokens and the blockchain ecosystem, including Tesla, MicroStrategy, Paypal, Square, Visa, Morgan Stanley, and many high-profile VC funds, has continued to grow.

Ethereum has performed even better than bitcoin in 2021, starting the year at \$731 and reached all-time highs in November, up 532 percent as of November 3rd. The interest in Ethereum and other blockchain protocols supporting smart contracts, particularly in the decentralized finance (“defi”) space, continues to expand as these tokens continue to become a larger proportion of the overall crypto market cap. With so many future possibilities, defi has already begun to cut out rent-seeking middlemen, save time, and create more investing and financial structuring opportunities. Real meaningful change is starting to take place in a financial landscape that has remained relatively static compared to other areas in our lives.

Smart contract protocols also have made NFTs (non-fungible token) possible, and the NFT market really took off in Q1. While many of these NFTs launched with a bang and have cooled off since launch, what is clear is there is an appetite for digital collectibles, as people spend more time online cultivating their digital identity and status. It is unlikely that the trend of increasing time and money spent online will reverse anytime soon. NBA Top Shot moments, CryptoPunks, digital art sold on sites like Rarible and Open Sea, music, digital land titles, and even tweets were sold as NFTs. Much like bitcoin where it took many years for people to get comfortable with the concept of digital currency

on a blockchain, one might anticipate that as education increases, execution is refined, and a wider variety of collectibles are released, more and more will buy NFTs.

As is familiar to crypto investors, 2021 has also been marked with volatility and corrections. From its \$65k high in mid-April, bitcoin fell below \$30k in mid-July, marking an approximate 54 percent decline. There were several factors contributing to the correction. Government interest and involvement continues to be viewed as a key inhibitor to industry growth, with China again announcing it would be working to reduce bitcoin mining. While most governments are still trying to figure out how they can regulate crypto, at the same time these governments, including China, continue to work on their own central bank digital currency. According to the Atlantic Council, 81 countries, making up 90 percent of the world’s economy are in exploratory stages, with 5 countries in the Caribbean already launching and another 14 (including China) in pilot phases. El Salvador officially adopted bitcoin as legal tender. Mr. Musk also continued to stay busy on twitter, this time noting his concern over crypto mining energy consumption, although more than half the blockchains out there are proof of stake and don’t use energy like bitcoin mining.

Since its July low, bitcoin pricing has recovered, reaching new all-time highs in October. Reports noting large corporations like SpaceX, Facebook, the NBA, MLB, and Amazon and their continued acceptance or new work on crypto or crypto-related projects has bolstered confidence. Traditional hedge funds, wall street institutions, and some of the most prestigious venture funds are continuing to heavily invest in the space, and the first bitcoin futures ETF was approved and began

trading in October, with several other crypto ETF products awaiting approval.

APPENDIX VI. ASC 820 GUIDELINES

ASC 820 Guidelines

The definition of fair value retains the exchange-price notion contained in earlier U.S. GAAP definitions of fair value. The standard clarifies that a fair value measurement assumes the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities. It is not a forced transaction (i.e. a forced liquidation or distress sale).

In estimating the fair value of the assets, ASC 820 requires specific consideration of the following framework:

- Unit of account for the acquired assets;
- Exit market (i.e. the principal or most advantageous market) for the acquired assets;
- Market participants in the exit market;
- Highest and best use of the acquired assets;
- Valuation premise (In-use or In-exchange) for acquired assets;
- Specific valuation techniques; and,
- Valuation inputs, including a fair value hierarchy.

Unit of Account

Under ASC 820, unit of account represents what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements. The asset or liability might be a standalone asset or

liability or a group of assets and/or liabilities. Whether the asset or liability is a standalone asset or liability or a group of assets and/or liabilities is the unit of account. For the purposes of this analysis, the unit of account is the aggregated group of assets that comprises the overall enterprise value of the Company.

Exit Market

According to ASC 820, the principal market is the market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability. The most advantageous market is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received for the asset or minimizes the amount that would be paid to transfer the liability, considering transaction costs in the respective market(s). Since there is no active market for the Company or the unit of account, the principal market is the same market as the asset was originally acquired in, that being identified through the sale of the Company, the overall mergers and acquisitions market.

Market Participants

According to ASC 820, market participants are buyers and sellers in the principal or most advantageous market for the asset or liability that are:

- **Independent** of the reporting entity, that is, they are not related parties;
- **Knowledgeable**, having a reasonable understanding about the asset or liability and the transaction based on all available information, including information that might be obtained through due diligence efforts that are usual and customary;
- **Able** to transact for the asset or liability; that is, they are motivated but not forced or otherwise compelled to do so; and,

- **Willing** to transact for the asset or liability; that is, they are motivated but not forced or otherwise compelled to do so.

As such, the market participants for the Company include both financial and strategic buyers that would incorporate the Subject Assets into their existing operations.

Highest and Best Use

A fair value measurement assumes the highest and best use of the asset by market participants, considering the use of the asset that is physically possible, legally permissible, and financially feasible at the measurement date. In broad terms, highest and best use refers to the use of an asset by market participants that would maximize the value of the asset or the group of assets within which the asset would be used.

Highest and best use is determined based on the use of the asset by market participants, even if the intended use of the asset by the reporting entity is different. The highest and best use of the asset establishes the valuation premise used to measure the fair value of the asset. Specifically, the highest and best use incorporates concepts discussed in the following section.

- **In-use.** The highest and best use of the asset is in-use if the asset would provide maximum value to market participants principally through its use in combination with other assets as a group (as installed or otherwise configured for use). For example, that might be the case for certain non-financial assets. If the highest and best use of the asset is in-use, the fair value of the asset shall be measured using an in-use valuation premise. When using an in-use valuation premise, the fair value of the asset is determined based on the price that would be received in a current transaction to sell the asset assuming that the asset would be used with other assets as a group and that those assets would be available to market

participants. Generally, assumptions about the highest and best use of the asset should be consistent for all of the assets of the group within which it would be used.

- **In-exchange.** The highest and best use of the asset is in-exchange if the asset would provide maximum value to market participants principally on a standalone basis. For example, that might be the case for a financial asset. If the highest and best use of the asset is in-exchange, the fair value of the asset shall be measured using an in-exchange valuation premise. When using an in-exchange valuation premise, the fair value of the asset is determined based on the price that would be received in a current transaction to sell the asset standalone.

Because the highest and best use of the asset is determined based on its use by market participants, the fair value measurement considers the assumptions that market participants would use in pricing the asset, whether using an in-use or an in-exchange valuation premise.

For the purpose of this analysis, the maximum value to market participants has been estimated as being principally derived through the use in combination with other assets as a group. Accordingly, the asset has been measured using an “in-use” valuation premise.

Valuation Premise

The valuation premise used to measure the fair value of an asset depends on the highest and best use of the asset by market participants. If the asset would provide maximum value to market participants principally through its use in combination with other assets as a group (highest and best use is “in-use”), the asset would be measured using an in-use valuation premise. If the asset would provide maximum value to market participants principally on a standalone basis (highest and best use is “in-exchange”), the asset would be measured using an in-exchange valuation premise. For the purposes of this analysis, the

maximum value to market participants has been estimated as being principally derived through the use in combination with other assets as a group. Therefore, the Subject Assets have been valued using an “in-use” valuation premise.

Valuation Technique

There are three fundamental techniques or approaches to valuing an asset: the cost approach, income approach and market approach. Each of the approaches is discussed in more detail in a previous section of this report.

Valuation Inputs

ASC 820 defines inputs as the assumptions that market participants would use in pricing the asset or liability, including an adjustment for risk whenever market participants would include one in pricing the related asset. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels, considering the relative reliability of the inputs. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. Descriptions of what constitutes each input are as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- **Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,

- **Level 3** inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The valuation inputs incorporated herein are both Level 2 and Level 3 inputs, resulting in overall values for the Subject Assets as Level 3.

APPENDIX VII. SCHEDULES

Schedule 1	Summary of Values
Schedule 2	Weighted Average Return on Assets
Schedule 3	Historical & Projected Income Statements
Schedule 4	Historical & Projected Balance Sheets
Schedule 5	Internal Rate of Return
Schedule 6	Weighted Average Cost of Capital
Schedule 7	Net Working Capital
Schedule 8	Tax Depreciation Calculation
Schedule 9	Trade Names and Trademarks
Schedule 10	Comparable Royalty Rates
Schedule 11	Operating Licenses
Schedule 12	Contributory Asset Charges
Schedule 13	Economic Depreciation Calculation
Schedule 14	Assembled Workforce
Schedule 15	Contingent Consideration

APPENDICES

Appendix 1	Guideline Transactions - Operating Licenses
Appendix 2	Venture Capital Rates of Return
Appendix 3	Guideline Public Companies - Descriptions
Appendix 4	Guideline Public Company Metrics

FTX Trading Ltd.

ASC 805 Purchase Price Allocation of Digital Assets DA AG
Summary of Values
As of November 14, 2021

Schedule 1
(\$US in Thousands)

Total Consideration			Transaction Details	
(1) Cash consideration	166,667		Total Consideration Paid	250,146
(2) Fair Value of Contingent Consideration	83,479		Percentage Acquired	80%
Fair Value of 80% equity interest	250,146		Strategic or Financial	Strategic
(3) Plus: Minority Interest	62,537		Deal Structure	Non-Taxable
Total Consideration [A]	312,683			

Acquired Assets / Liabilities				
Asset Category	Fair Value	Percentage of Total Consideration	Schedule Reference	Valuation Methodology
Tangible Assets				
Net Working Capital	31,503	10.1%	Schedule 7	Net Book Value - Per Management
Fixed Assets	417	0.1%	Schedule 4	Net Book Value - Per Management
Total Tangible Assets [B]	31,920	10.2%		
Intangible Assets				
Trade Names	1,400	0.4%	Schedule 9	Relief from Royalty Method
Operating Licenses	152,100	48.6%	Schedule 11	MPEEM
Total Intangible Assets [C]	153,500	49.1%		
Residual Goodwill [A] - [B] - [C]	127,263	40.7%		

Footnotes

This schedule has been prepared on the basis of the information and assumptions set forth in our report and the attached schedules. It must be read in conjunction with the accompanying report and all the other exhibits included herein. Some totals may not add due to rounding.

- (1) Per executed Share Purchase Agreement dated November 14, 2021.
- (2) Equals FV of contingent consideration. See Schedule 15 for more details.
- (3) Represents the 20.0 percent share of DigitalAssets DA AG previously acquired by FTX Trading Ltd. Equals the implied value of these shares taking into consideration the price paid for 80.0 percent of the shares.

FTX Trading Ltd.

ASC 805 Purchase Price Allocation of Digital Assets DA AG
 Weighted Average Return on Assets
 As of November 14, 2021

Schedule 2
 (\$US in Thousands)

Asset Category	Estimate of Fair Value (2)	After-Tax Rate of Return	Percentage of Business Enterprise Value	Weighted Return	Schedule Reference
Tangible Assets					
Normalized Net Working Capital	641	7.0%	0.2%	0.0%	Schedule 7
Fixed Assets	417	10.5%	0.1%	0.0%	Schedule 4
Total Tangible Assets	1,058		0.4%	0.0%	
Intangible Assets					
Trade Names	1,400	37.5%	0.5%	0.2%	Schedule 9
Operating Licenses	148,300	37.5%	52.6%	19.7%	Schedule 11
Total Intangible Assets	149,700		53.1%	19.9%	
Unidentified Intangible Assets					
Assembled Workforce	9,070	37.5%	3.2%	1.2%	Schedule 14
Residual Goodwill	121,993	38.5%	43.3%	16.7%	
(1) Total Residual Goodwill	131,063		46.5%	17.9%	
Business Enterprise Value	281,821		100.0%	37.8%	
Plus: Excess/(Deficit) NWC	11,725				
Plus: Cash and Cash Equivalents	19,136				
Total Consideration	312,683				
Transaction Rates of Return					
Weighted Average Return on Assets				37.8%	
Weighted Average Cost of Capital (Rounded)				38.0%	
Internal Rate of Return (Rounded)				38.0%	

Footnotes

This schedule has been prepared on the basis of the information and assumptions set forth in our report and the attached schedules. It must be read in conjunction with the accompanying report and all the other exhibits included herein. Some totals may not add due to rounding.

- (1) Goodwill represents the residual value after all identifiable intangible assets were valued; goodwill was not valued independently. Goodwill does not take into account any deferred tax assets or liabilities and the final goodwill amounts may differ from the number shown in the table. Goodwill includes indicated value of assembled workforce.
- (2) Given that the transaction has been structured as a Non-Taxable (Stock) deal, the tax amortization benefit has been excluded from the estimated value of the intangible assets for the purposes of the WARA analysis. This has been done in order to make the WARA more comparable to the IRR given the transaction structure.

FTX Trading Ltd.

ASC 805 Purchase Price Allocation of Digital Assets DA AG

Historical & Projected Income Statements

As of November 14, 2021

Schedule 3

Page 1 of 2

(\$US in Thousands)

	Projected Financials (1)					
	FYE December 31					
	2021	2022	2023	2024	2025	2026
Revenue	\$ 11,892	\$ 56,411	\$ 62,052	\$ 80,667	\$ 121,001	\$ 205,701
Cost of Goods Sold	3,417	3,959	4,355	4,790	5,269	5,796
Gross Profit	8,474	52,452	57,697	75,877	115,732	199,905
Operating Expenses	833	5,652	6,217	8,083	12,124	20,611
EBITDA	7,641	46,800	51,480	67,794	103,608	179,294
Depreciation Expense	-	-	-	-	-	-
EBIT	7,641	46,800	51,480	67,794	103,608	179,294
Interest Expense	5,236	6,513	7,164	9,314	13,970	23,750
Other Income/ (Expense)	5,115	5,428	5,970	7,761	11,642	19,791
Pretax Income	7,520	45,714	50,285	66,242	101,279	175,336

Footnotes

This schedule has been prepared on the basis of the information and assumptions set forth in our report and the attached schedules. It must be read in conjunction with the accompanying report and all the other exhibits included herein. Some totals may not add due to rounding.

- (1) Historical and projected financial data provided by Management. Financials converted from CHF to USD at a rate of 1.08 CHF to 1 USD per ExchangeRates.org as of the Valuation Date.

Definitions: EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EBIT - Earnings Before Interest and Taxes

FTX Trading Ltd.

ASC 805 Purchase Price Allocation of Digital Assets DA AG
 Historical & Projected Income Statements - Common Size
 As of November 14, 2021

Schedule 3
 Page 2 of 2

	Projected Financials (1)					
	FYE December 31					
	2021	2022	2023	2024	2025	2026
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	28.7%	7.0%	7.0%	5.9%	4.4%	2.8%
Gross Profit	71.3%	93.0%	93.0%	94.1%	95.6%	97.2%
Operating Expenses	7.0%	10.0%	10.0%	10.0%	10.0%	10.0%
EBITDA	64.3%	83.0%	83.0%	84.0%	85.6%	87.2%
Depreciation Expense	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	64.3%	83.0%	83.0%	84.0%	85.6%	87.2%
Interest Expense	44.0%	11.5%	11.5%	11.5%	11.5%	11.5%
Other Income/ (Expense)	43.0%	9.6%	9.6%	9.6%	9.6%	9.6%
Pretax Income	63.2%	81.0%	81.0%	82.1%	83.7%	85.2%

Footnotes

This schedule has been prepared on the basis of the information and assumptions set forth in our report and the attached schedules. It must be read in conjunction with the accompanying report and all the other exhibits included herein. Some totals may not add due to rounding.

(1) Historical and projected financial data provided by Management. Financials converted from CHF to USD at a rate of 1.08 CHF to 1 USD per ExchangeRates.org as of the Valuation Date.

Definitions: EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EBIT - Earnings Before Interest and Taxes

FTX Trading Ltd.

ASC 805 Purchase Price Allocation of Digital Assets DA AG

Schedule 4

Historical Balance Sheets

Page 1 of 2

As of November 14, 2021

(\$US in Thousands)

	As of November 14 2021
Cash and Cash Equivalents	\$ 19,136
Accounts Receivable	9,112
Other Current Assets	4,415
Total Current Assets	32,664
Net Fixed Assets	417
Other Long-Term Assets	99,141
Total Assets	132,222
Accounts Payable	621
Accrued Expenses and Deferred Income	876
Other Current Liabilities	541
Total Current Liabilities	2,037
Other Long-Term Liabilities	123,779
Total Liabilities	125,816
Total Shareholders' Equity	6,406
Total Liabilities & Shareholders' Equity	\$ 132,222

Footnotes

This schedule has been prepared on the basis of the information and assumptions set forth in our report and the attached schedules. It must be read in conjunction with the accompanying report and all the other exhibits included herein. Some totals may not add due to rounding.

- (1) Historical financial data provided by Management. Financials converted from CHF to USD at a rate of 1.08 CHF to 1 USD per ExchangeRates.org as of the Valuation Date.
- (2) The Balance Sheet as of the Valuation Date was unavailable, therefore the Balance Sheet as of December 31, 2021 is being used as a proxy, per Management.

FTX Trading Ltd.

ASC 805 Purchase Price Allocation of Digital Assets DA AG

Schedule 4

Historical Balance Sheets - Common Size

Page 2 of 2

As of November 14, 2021

	As of November 14 2021
Cash and Cash Equivalents	14.5%
Accounts Receivable	6.9%
Other Current Assets	3.3%
Total Current Assets	24.7%
Net Fixed Assets	0.3%
Other Long-Term Assets	75.0%
Total Assets	100.0%
Accounts Payable	0.5%
Accrued Expenses and Deferred Income	0.7%
Other Current Liabilities	0.4%
Total Current Liabilities	1.5%
Other Long-Term Liabilities	93.6%
Total Liabilities	95.2%
Total Shareholders' Equity	4.8%
Total Liabilities & Shareholders' Equity	100.0%

Footnotes

This schedule has been prepared on the basis of the information and assumptions set forth in our report and the attached schedules. It must be read in conjunction with the accompanying report and all the other exhibits included herein. Some totals may not add due to rounding.

- (1) Historical financial data provided by Management. Financials converted from CHF to USD at a rate of 1.08 CHF to 1 USD per ExchangeRates.org as of the Valuation Date.
- (2) The Balance Sheet as of the Valuation Date was unavailable, therefore the Balance Sheet as of December 31, 2021 is being used as a proxy, per Management.

FTX Trading Ltd.

ASC 805 Purchase Price Allocation of Digital Assets DA AG

Internal Rate of Return

As of November 14, 2021

Schedule 5
(\$US in Thousands)

Projected Financials FYE December 31											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	Residual	
(1) Revenue	\$ 11,892	\$ 56,411	\$ 62,052	\$ 80,667	\$ 121,001	\$ 205,701	\$ 257,127	\$ 282,839	\$ 296,981	\$ 305,891	
Revenue Growth	NA	374.4%	10.0%	30.0%	50.0%	70.0%	25.0%	10.0%	5.0%	3.0%	
(1) Cost of Goods Sold	3,417	3,959	4,355	4,790	5,269	5,796	7,245	7,970	8,368	8,619	
Gross Profit	8,474	52,452	57,697	75,877	115,732	199,905	249,881	274,870	288,613	297,271	
Gross Profit Margin	71.3%	93.0%	93.0%	94.1%	95.6%	97.2%	97.2%	97.2%	97.2%	97.2%	
Operating Expenses	833	5,652	6,217	8,083	12,124	20,611	25,763	28,340	29,757	30,649	
EBITDA	7,641	46,800	51,480	67,794	103,608	179,294	224,118	246,530	258,856	266,622	
EBITDA Margin	64.3%	83.0%	83.0%	84.0%	85.6%	87.2%	87.2%	87.2%	87.2%	87.2%	
(2) Depreciation	202	698	601	636	804	1,073	1,232	1,832	2,285	2,057	
EBIT	7,439	46,102	50,878	67,158	102,803	178,221	222,886	244,697	256,572	264,565	
EBIT Margin	62.6%	81.7%	82.0%	83.3%	85.0%	86.6%	86.7%	86.5%	86.4%	86.5%	
(3) Taxes	893	5,532	6,105	8,059	12,336	21,387	26,746	29,364	30,789	31,748	
Net Operating Profit After Tax	6,546	40,570	44,773	59,099	90,467	156,835	196,140	215,334	225,783	232,817	
Plus: Depreciation	202	698	601	636	804	1,073	1,232	1,832	2,285	2,057	
(4) Less: Increase / (Decrease) in DFCFNWC	-	2,401	304	1,004	2,176	4,569	2,774	1,387	763	481	
(5) Less: Capital Expenditures	119	564	621	807	1,210	2,057	2,571	2,828	2,970	2,057	
Free Cash Flows	6,629	38,302	44,449	57,925	87,886	151,282	192,026	212,951	224,335	232,337	
Partial Period Adjustment	0.13										
Present Value Period	0.06	0.63	1.63	2.63	3.63	4.63	5.63	6.63	7.63		
Present Value Factor @ 37.6%	0.980	0.818	0.595	0.432	0.314	0.228	0.166	0.121	0.088		
Present Value of Free Cash Flows	\$ 836	\$ 31,339	\$ 26,432	\$ 25,034	\$ 27,604	\$ 34,534	\$ 31,858	\$ 25,676	\$ 19,658		
Sum of Present Value of Free Cash Flows	222,970										
(6) Discounted Residual Value	58,851										
Fair Value of Business Enterprise	\$ 281,821										
Plus: Excess/(Deficit) NWC	11,725										
Plus: Cash and Cash Equivalents	19,136										
Fair Value of Invested Capital	\$ 312,683										
Internal Rate of Return ("IRR")	38.0%										

Residual Year Cash Flow	232,337
Capitalization Rate	34.6%
Residual Value	671,594
PV Factor	0.088
Present Value of Residual Value	58,851

Footnotes

This schedule has been prepared on the basis of the information and assumptions set forth in our report and the attached schedules. It must be read in conjunction with the accompanying report and all the other exhibits included herein. Some totals may not add due to rounding.

- (1) Projected financial data provided by Management. Beyond 2026 revenue growth rates were tapered down to bring the business to a normalized level residual growth rate. 2027 to 2029 margins represent an average of the prior 5 years.
- (2) Estimated depreciation is based on book value and provided by Management.
- (3) Based on an estimated Federal and statutory blended tax rate of 12.0%.
- (4) Change in DFCFNWC based on normalized working capital level of 5.4%. Refer to Schedule 7 for further detail.
- (5) Capital expenditures assumed to be 1.0 percent of revenue.
- (6) Residual Value calculated based on Gordon Growth Model.

Definitions: EBIT - Earnings Before Interest and Taxes, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, FYE - Fiscal Year End, DFCFNWC - Debt Free, Cash Free Net Working Capital